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SOUTH CAROLINA















There is no easy phrase, no absolute way to describe South Carolina.

Perhaps that is for the best. It allows for a richness of diversity and depth – a texture, if you will, that is uniquely South Carolina.

A South Carolina carved from a wilderness more than three centuries ago that today is far more than a border of beaches, rivers and mountains uniting a land of roughly 3.4 million people.

The beauty of our state – from the sandy shores of the Atlantic Ocean to the rolling foothills of the Appalachian Mountains – inspires wonder. Yet we reserve our greatest loyalty and devotion for what defines us best – each other.

Together, we have built a solid, diversified economy that supports the second fastest growing population in the Southeast.

Ours is the smallest state in the Southeast, 31,055 square miles wedged in the heart of the coastal region. That very size makes us different. It creates a unity, a sense of place. For ours is not a state of strangers; it is a state of friends and of personal relationships.

It's not surprising, then, that we know how to do business.

After all, we've been doing business successfully for three hundred years.

Quite simply, we've always known what really





counts. We are living proof of a work ethic that truly works:

- We have the reputation of being one of the nation's most productive workforces.
- We consistently maintain the nation's lowest work stoppage rate.
- We have one of the nation's most balanced state/local taxing systems.
- We maintain one of the nation's highest business incorporation rates and one of the lowest business failure rates.

But the evidence of success is not found just in numbers and statistics.

It is found in people who demand the best of







Full Score

Composed by the Kansas City Youth Symphony, David Cooks, Conductor  
in celebration of its 25th Anniversary  
**VERTURE FOR A CELEBRATION**

*Allegro*

SPOLETO FESTIVAL U.S.A. 1988

WORKS BY ANDREW WY...

MADAMA BUTTERFLY  
SPOLETO FESTIVAL U.S.A. 1988  
MAY 27  
10:10  
CLUB 101  
KLEIN THEATRE

MAY 27  
10:10  
CLUB 101  
KLEIN THEATRE

MAY 27  
10:10  
CLUB 101  
KLEIN THEATRE





themselves and their state. People like those who, a quarter of a century ago, looked to the future and realized that change was coming. An agrarian economy – which had supported the state for centuries – gave way first to an industrial boom and then to the full diversity of a new age.

South Carolinians led the way in planning for and defining the future, creating a technical education system to prepare our people to meet the challenges that lay ahead.

The concept of the system was simple – to make technical education accessible to every South Carolinian. It was accomplished through a network of 16 technical colleges within an easy commute of every South Carolinian and within easy reach of the state's businesses and industries.

At the same time, the Special Schools division was created to respond directly, completely and immediately to the needs of new and expanding businesses and industries.

Potential workers are recruited, screened and trained to each company's specifications. It is a service generally provided free to businesses because one of the best investments we can make is providing South Carolinians with newer and more specialized job skills.

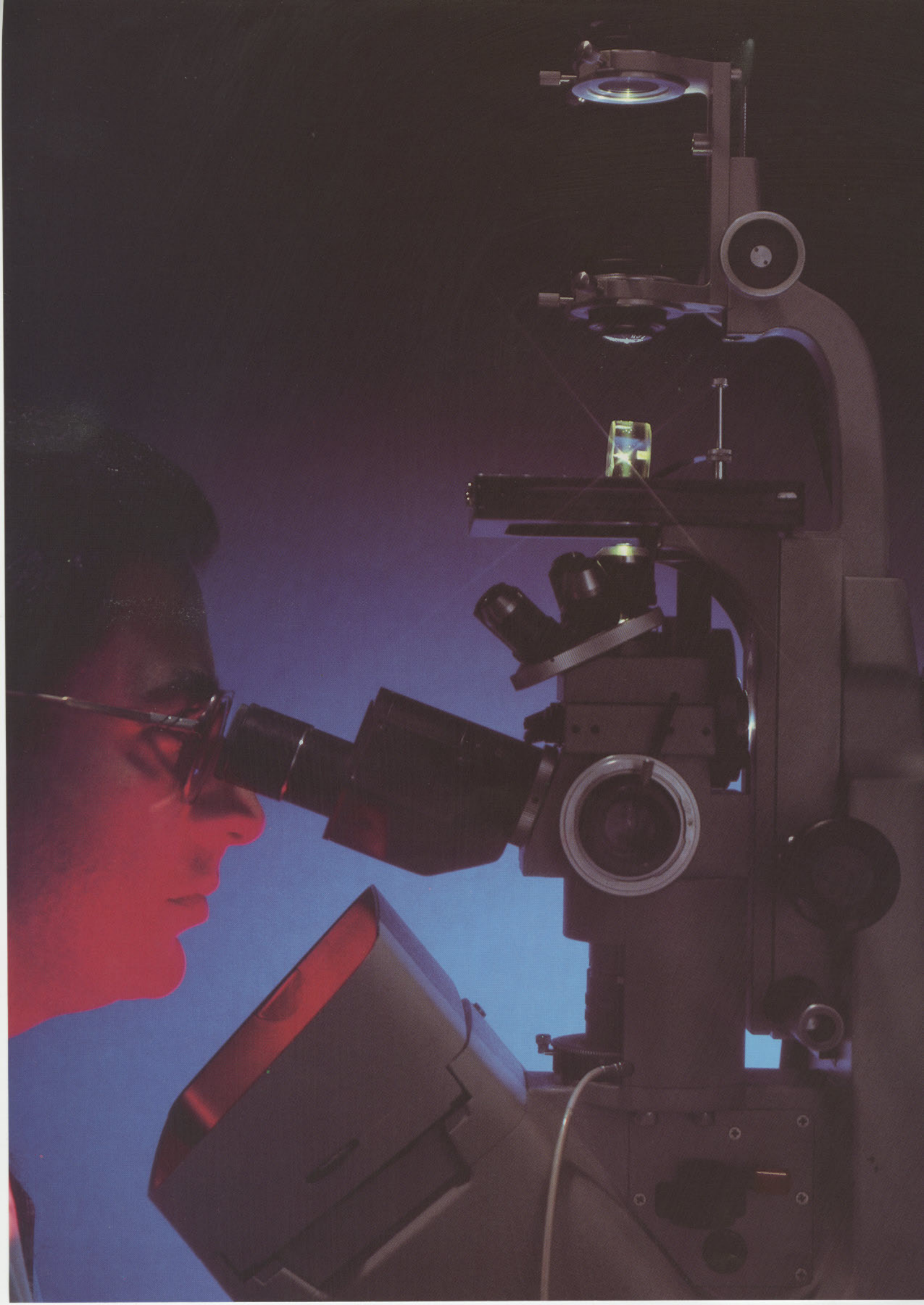
And we invest in the education of our children.

To prove it, we passed a \$200 million Education Improvement Act in 1984. After all, they are our future artists, astronauts, teachers and engineers.

Exit exams. Mandatory skill levels for





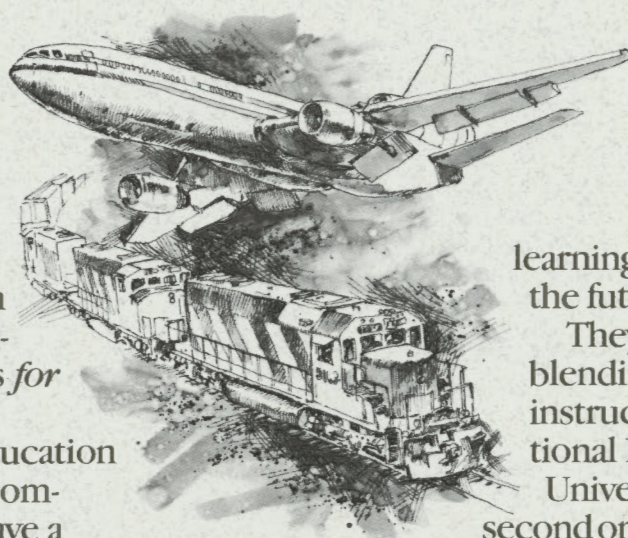




teachers and students. Improved college entrance exam test scores. Those are the standards set *by* South Carolinians *for* South Carolinians.

And our commitment to education extends beyond high school commencement. Our graduates have a choice of 47 colleges – large and small, public and private – including three major research universities.

But our colleges and universities aren't just for



learning. They are our partners in the future.

They have been at the forefront in blending academics with practical instruction: The Master's in International Business program at the University of South Carolina –

second only to the program at New York University – has brought us national and international recognition. The agribusiness and agricultural sciences programs at Clemson University are seeking new ways to feed a hungry world. And the



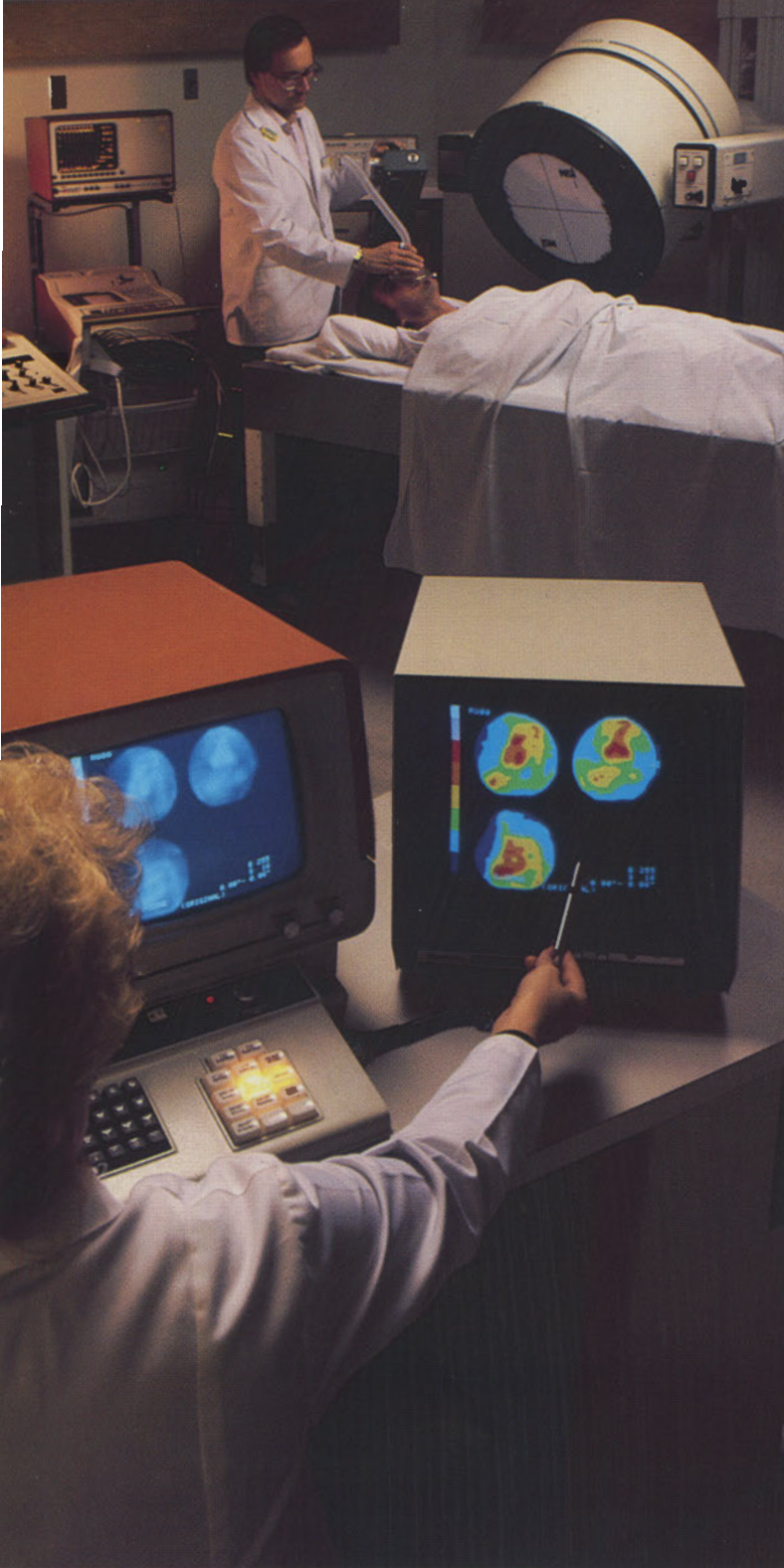












Medical University of South Carolina is leading the nation in pediatric cardiothoracic surgery.

That kind of public-private partnership is the rule not the exception in South Carolina.

We believe government should be a partner in our progress, providing an economic climate that lets business thrive.

Our legislature is not a faraway, remote entity; it is an assembly of friends and neighbors who care about their state and its future.

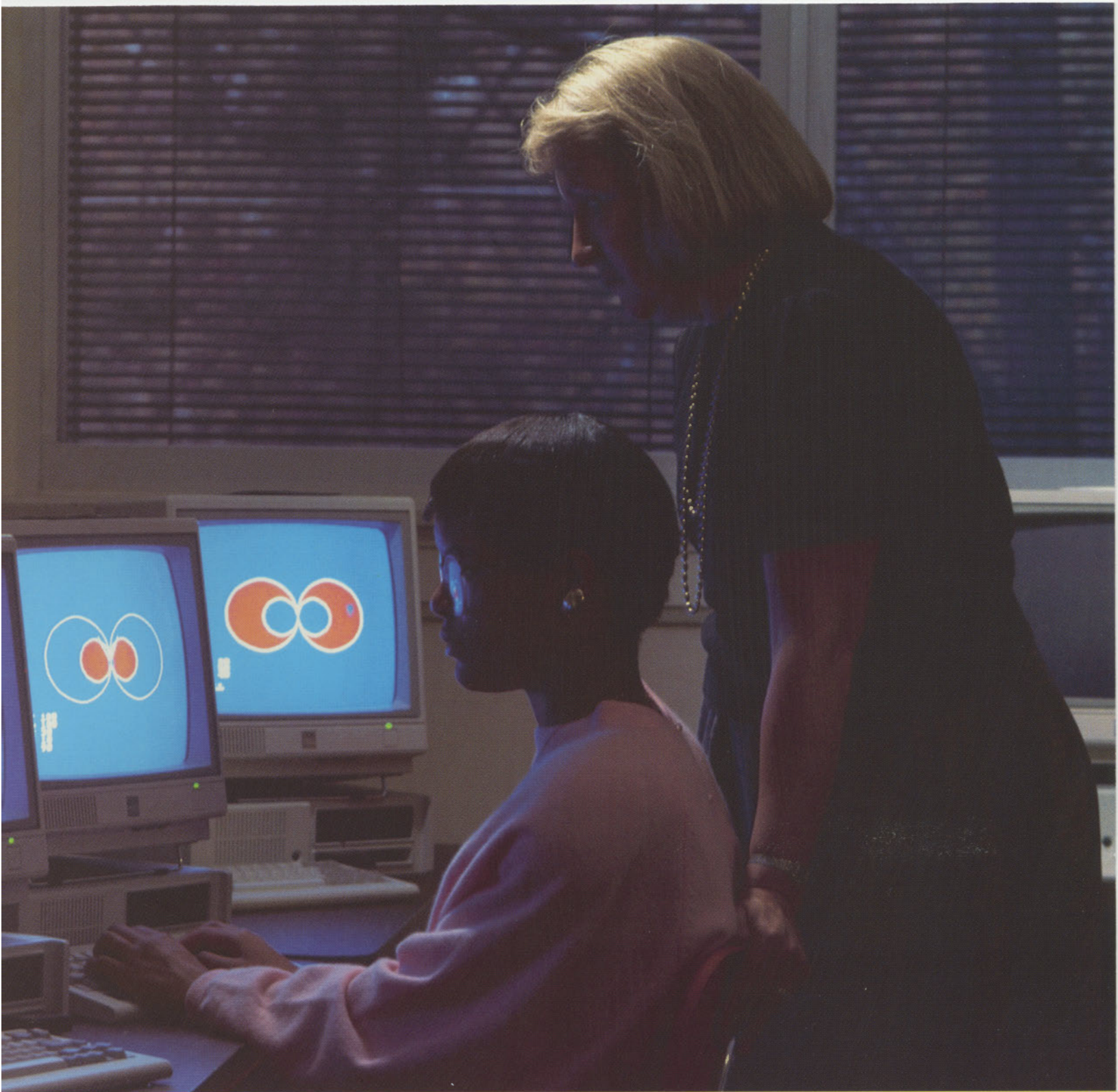
That's why we maintain a modern highway system with five interstates that quickly connect you with your destination – in South Carolina or across the United States. Airports that serve people

and freight – conveniently and efficiently. A rail system that is anchored by two major freight lines and Amtrak. And three ports – including the South Atlantic region's largest and most advanced container port in Charleston.

National business climate ratings are testimonies to our success. It's business as usual for a state government that means business.

South Carolinians, however, want more than just a good business climate and a good place to work. We are a people who take pride in basic human values; therefore, we demand a good place to live, a good place to call home. Mild climate. Mountains. Beaches. Rivers and lakes. A mecca for





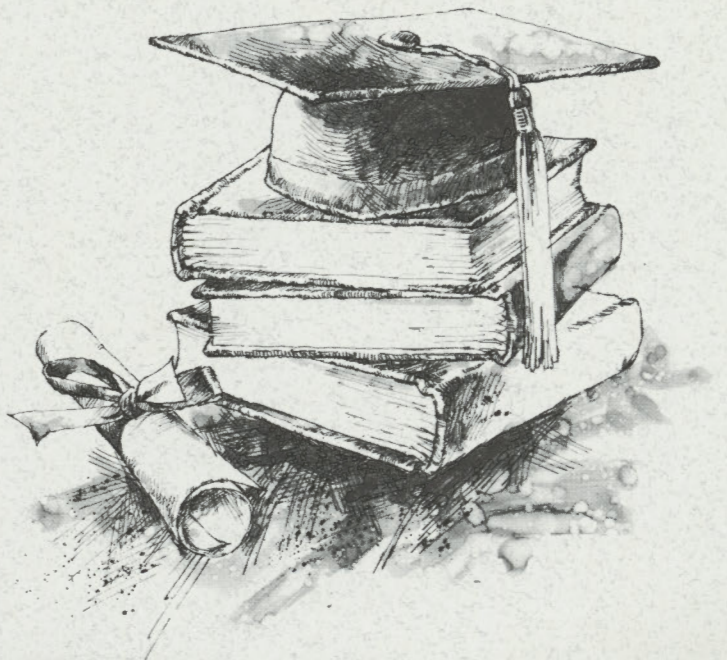
outdoorsmen. A playground for families.

There's little league baseball and major college football. Auto racing and steeplechasing. Professional golf and whitewater rafting. That diversity – and a climate that lets us play year 'round – makes us unique.

So does the ability to hook a large-mouth bass in the afternoon and attend the theater that evening. It is just one of the rewards of the good life here.

The availability of and appreciation for the arts doesn't just happen. It is created by South Carolinians who care.

That's why we aren't surprised that the internationally known Spoleto festival makes Charleston



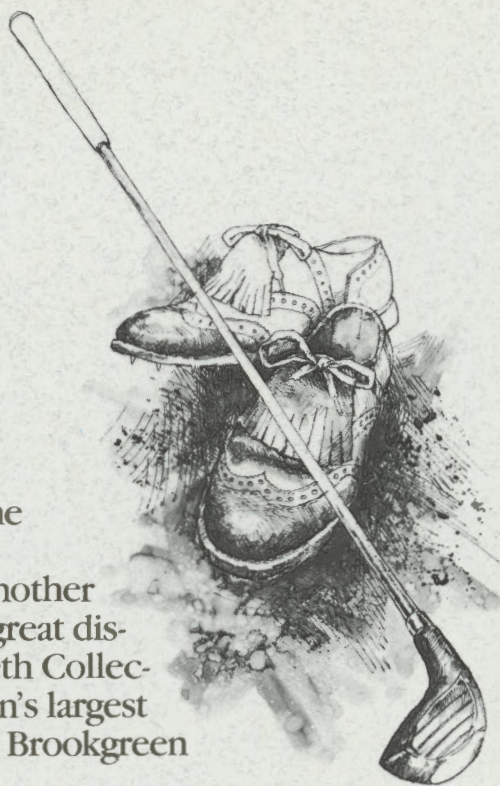












its American home. Or that Columbia's Town Theatre – the nation's longest running community theater – completes another season. Or that people travel great distances to see the Andrew Wyeth Collection in Greenville or the nation's largest outdoor statuary collection at Brookgreen Gardens.

We have Philharmonics and dance, of course. And, we cultivate an appreciation for them through a statewide program that takes gifted art-

ists into each community to share their talents.

We have been shaped by our successes, our families and our traditions. Our meshing of past and present invites progress and change, but not at the cost of traditional pleasures and values.

We stand ready to embrace the 21st Century with a sophisticated eye. Yet, our soul, in many ways, has remained untouched from earlier times. In today's world – which is increasingly







The  
Piedmont Hotel  
Louisiana





hungry for yesterday's values of hard work, love of place and loyalty – South Carolina's traditional values might well be one of the secrets to our success.

We feel good about ourselves. As we constantly seek ways to welcome the new technologies and

new people, we work to hold on to the grit, the faith and the common sense that are our heritage.

We offer the best because we demand the best. Because we are willing to work for the best. And because we are the best.

We know the future. It is ours to shape.

South Carolina State Development Board  
Post Office Box 927, Columbia, South Carolina 29202  
Phone: (803) 737-0400 Telex: 810-666-2628







# South Carolina

**Size:** 31,113 square miles

**Capital:** Columbia

**Geography:** The state stretches from the rolling foothills of the Appalachian Mountains, across the fall line and through the coastal plain to the shores of the Atlantic Ocean.

**Metropolitan Areas:** There is no central metropolitan area dominating the state. It has, instead, three major regional metropolitan areas: Charleston, on the Atlantic coast; Columbia, at the geographic center of the state; and Greenville, in the industrial Piedmont; and several smaller metropolitan statistical areas.

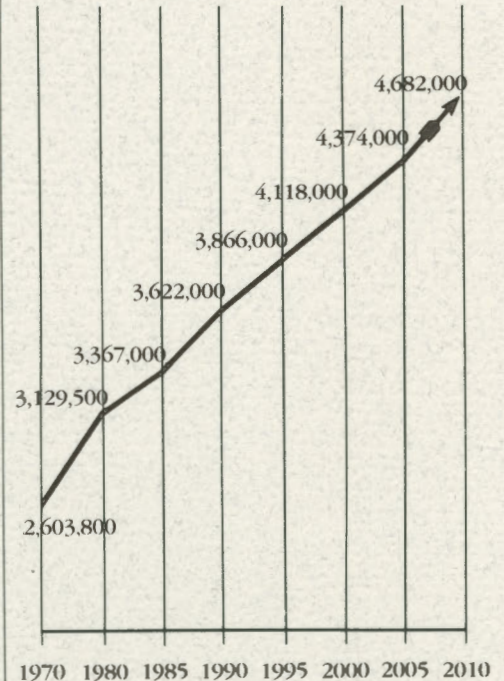
**Climate:** A moderate climate with a mean annual average temperature of 64 degrees. The summer average temperature is 81 degrees and the winter average temperature is 50 degrees.

**Location:** Midway between Miami, Fla., and New York, N.Y., it is within 1,000 miles of 77% of the nation's population.

**Population:** South Carolina is one of the fastest-growing states in the country with a 1988 population of 3.5 million, an increase of 35.8% from 1970. The population is expected to reach 4.4 million by the year 2000. About 60% of the state's inhabitants live in urban areas. The median age is 30.1 years.

|                                |         |
|--------------------------------|---------|
| Aiken County                   | 118,720 |
| (part of Augusta, Ga., MSA)    |         |
| Anderson MSA                   | 147,470 |
| Charleston MSA                 | 521,680 |
| Columbia MSA                   | 460,480 |
| Florence MSA                   | 118,260 |
| Greenville-Spartanburg MSA     | 612,580 |
| York County                    | 122,610 |
| (part of Charlotte, N.C., MSA) |         |

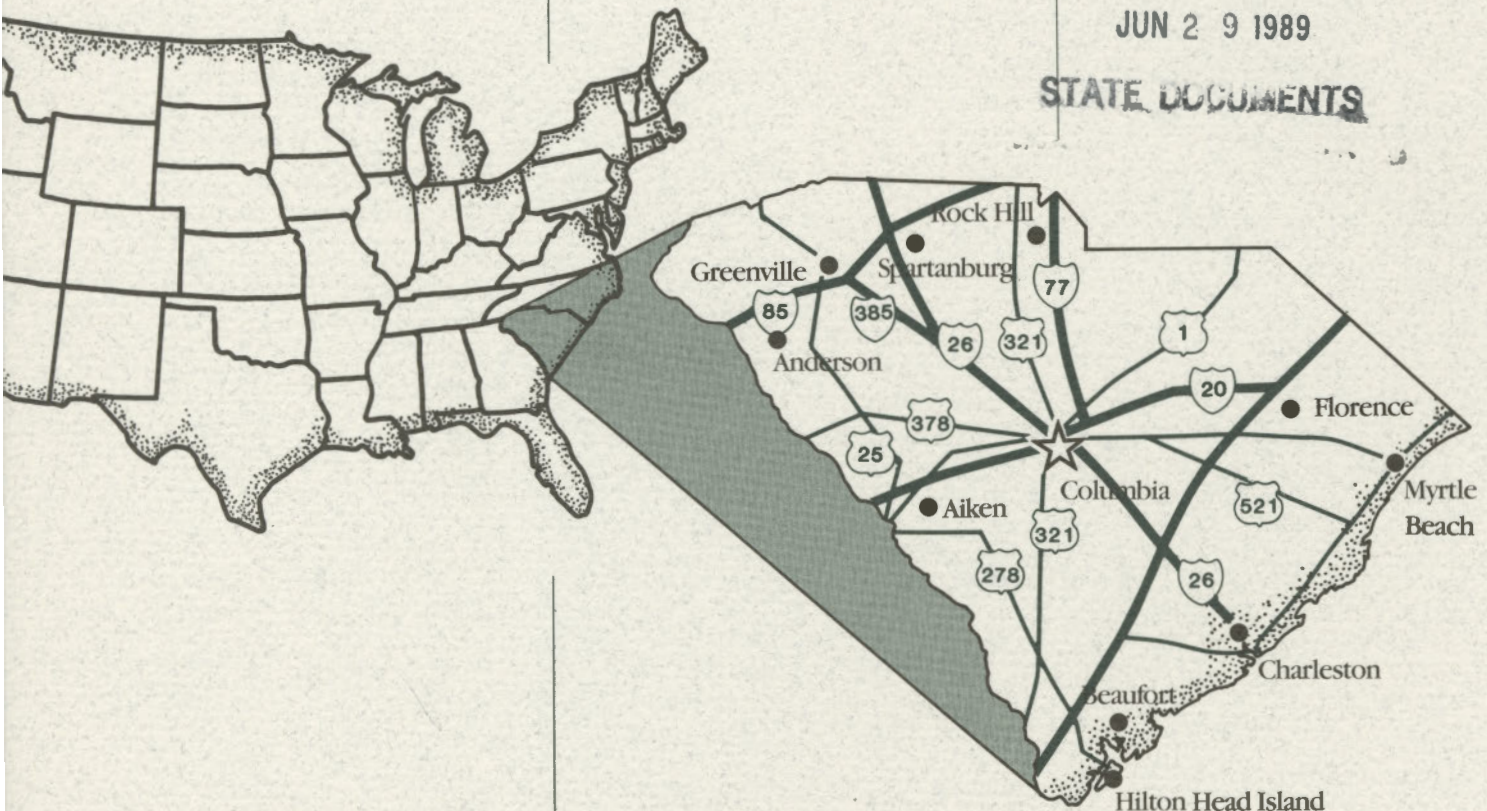
## Population Trends and Projections



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# Incentives

South Carolina's commitment to business excellence has resulted in a wide range of initiatives, including:

□ **Jobs Creation Tax Credits:** ranging from \$300 to \$1,000 for each job created and available in each of the state's 46 counties

□ **Competitive Taxes:** a competitive corporate income tax rate of 5%, plus an income tax credit for corporate contributions to infrastructure construction or improvement

□ **Property Tax Abatement:** a five-year moratorium on real and personal property tax available to headquarters, administrative and distribution offices, and manufacturing plants

□ **Headquarters Tax Credit:** a state income tax credit for construction and lease costs available to new headquarters facilities

□ **Highway Set-Aside Fund:** an economic development set-aside account for road construction and improvements

□ **Infrastructure Funds:** composite revenue bonds, loans and grants available to public and non-profit entities for financing water and sewer projects

□ **Infrastructure Tax Credit:** tax credit of up to half of expense not to exceed \$10,000 allowed for corporate contributions for infrastructure construction or improvement

□ **Fee in Lieu of Taxes:** the option to negotiate with counties fees in lieu of property taxes

□ **Palmetto Seed Capital Fund:** a private, for-profit fund designed to generate high growth businesses in South Carolina

□ **Jobs-Economic Development Authority:** state agency established to provide financing assistance to businesses locating or expanding in South Carolina through loans, packaging arrangements and financial promotion

□ **Business Development Corporation of South Carolina:** private financial corporation that makes direct loans for a variety of business purposes, including fixed-asset financing and working capital for the creation or maintenance of jobs

□ **Tax Increment Financing for Redevelopment Projects:** bond financing available for the improvement of blighted or deteriorating areas funded through additional tax revenues.



# Arts and Culture

Arts are very personal to South Carolinians.

The first plays in America were presented at the Dock Street Theater in Charleston, a theater still alive and well and home to performances today.

When Gian Carlo Menotti wanted an American home for his Spoleto Festival of Italy, he came to Charleston, South Carolina. The annual festival of music, dance, theater and opera captures international attention and visitors.

Arts and culture are a part of every South Carolina community.

Across the state, there are community theaters, Philharmonics and dance companies.

□ The renowned Andrew Wyeth collection is housed in Greenville, and Columbia is home of the famed Kress collection.

□ The acoustically acclaimed Ira and Nancy Koger Center for the Performing Arts brings to Columbia a variety of performing artists from all over the world.

□ The South Carolina Arts Commission offers a unique registry that allows business and industry to preview quality South Carolina art for purchase.

□ The State Museum is supplemented by local museums in counties and communities across the state.

□ The state maintains its own 20-year collection of the best of South Carolina artists.

South Carolina crafts are unique, and we take pride in them. From the sweetgrass baskets of the Lowcountry to the clogging of the mountains to the pottery of the Catawba Indians, South Carolinians take pride in their heritage and work to preserve it.

And craftsmen and artisans display and sell their work at the more than 250 festivals held annually in the state.

Theater, music and dance are a part of every community, every public school.

To foster an appreciation for the arts among young people, the state sponsors an outreach program that brings just about every form of art into just about every South Carolina community.

And, the Governor's School of the Arts, held every summer, offers high school students with potential to be tomorrow's stars a chance to come together and refine their skills.

Among the State Arts Commission's other programs:

□ Mobile Arts – Tractor trailer studios and craftsmen bring art and facilities to small towns for instruction and teaching.

□ Arts Forum Series – Visual artists work to expose an ever-growing number of South Carolinians to forms of art.

□ Artists in Education – Artists of every expertise are placed in schools to help young people develop their creative talents.

□ Media Arts Center – Filmmaking in 10 Southeastern states is supported by providing equipment, technical assistance and workshops that otherwise would not be available to young directors and producers.

South Carolina has a rich cultural heritage that the new museum of South Carolina cultural history will preserve, housing exhibits in natural history, science and technology and art.



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# Work Force

South Carolina's business climate is ranked among the best in the nation, a position that can be attributed to an outstanding, trained and highly motivated work force.

South Carolina consistently maintains one of the nation's lowest work stoppage rates, and right-to-work laws allow employees and industries a choice of union or nonunion affiliation.

## **Technical Education**

South Carolina's technical education system, a pioneer in using education to nurture economic development since 1961, continues to provide advanced training to South Carolina workers.

- A statewide network of 16 technical colleges was developed in the early 1960s to provide skills training to South Carolinians and to meet the immediate and future needs of industry.

- Legislatively mandated linkages to business and industry ensure relevant, up-to-date training with major new state government investments in state-of-the-art equipment.

- The two-year technical colleges provide comprehensive education, one-year diploma and two-year degree programs in skills and technical applications for manufacturing, office, computer and service occupations. The colleges also provide continuing education for updating, retraining, supervisory development and management training to meet businesses' needs.

- Additionally, eight new Resource Centers provide education in emerging technologies such as robotics, advanced machine tool technology, microelectronics, computer applications, advanced office technology and environmental quality.

- No South Carolinian is more than 30 miles from a technical college. In fact, mobile training vans can bring training programs to any location.

- The system operates under the State Board for Technical and Comprehensive Education. Local area commissions ensure that individual colleges meet specific community and industry needs.

- The state technical education system also offers pre-employment training for jobs at new and expanding businesses and industries. Potential employees are recruited, screened and trained for specific occupations and tasks on equipment and tools matching those of the company. The company usually incurs no expense for the training and makes no commitment to hire the trained workers.

## **Governor's Work Force Initiative**

South Carolina's program joins business, industry and state human service programs to make adult education and literacy training a key resource in maintaining the state's competitive economic climate. Coordinated through the Department of Education, TECH, and Literacy Councils, this program is challenged to ensure that as new job opportunities arise, South Carolina's work force is capable of filling them. The Governor's Work Force Initiative is designed to expand job performance and add to the skills that would support job promotions.

## **JTPA Program**

Administered by the Governor's Office, the federally funded partnership among business, industry, labor, education and government provides job training to high unemployment groups. The program provides employers with tax incentives for training and hiring workers who qualify for the Job Training Partnership Act (JTPA) program.

## **Vocational Education**

South Carolina has a statewide network of 56 vocational education centers at the high school level that offer training in basic skills. The legislature has mandated initiatives to strengthen the links between vocational education and the technical education system, providing a continuum of skill training unique in statewide technical training systems.



# Agribusiness

A variety of natural resources and a stable and diverse agricultural economy help make South Carolina an attractive place for new agribusiness endeavors.

## **Resources**

South Carolina's abundant natural resources include a diverse climate, prime agricultural soils and ample water reserves. Renewable resources can be expanded or contracted to meet demand.

Also, the state's well-maintained transportation systems – including five interstate highways, two major railroad lines and the second largest containerized port on the East and Gulf Coasts – can expedite delivery to and from markets.

## **Agricultural Economy**

More than 80% of the state's 31,113 square miles is devoted to farm and forest production. Agribusiness in South Carolina is a multibillion-dollar industry, employing about 16% of the state's working population.

Tobacco, cattle and beef, soybeans, dairy products, peaches, broilers and eggs are the state's principal agricultural products. Increased vegetable acreage statewide now makes available additional commodities for preprocessing and processing.

## **Diversification**

Agriculture is experiencing success in a constantly expanding range of specialty crops, as well as aquaculture and mariculture. As demand for specialized products increases, so will the number of agribusiness opportunities.

## **Agribusiness Development**

The South Carolina Department of Agriculture plays an important role in promoting trade of state agricultural products. The department works with the State Development Board and other agencies in providing information on such topics as banking and investment loan assistance, markets and distribution outlets, permitting and licensing, and exports.

The Agribusiness Development Division of the Department of Agriculture serves as a resource center with customized research and information on sites. Investment incentives and tax credits are available to food processors, distributors and retailers who use South Carolina-grown products.



# Job Training

In 1961 a model program was designed by the State Board for Technical and Comprehensive Education to help new and expanding industry begin their operations through pre-employment training programs.

Special Schools, the name of this distinctive program, is an important incentive for new industries locating or expanding in South Carolina.

After a company decides to locate or expand in South Carolina, the State Board for Technical and Comprehensive Education begins training prospective employees to that company's specifications. The training is completed prior to start-up so that a trained work force can begin work from day one of the company's operations.

Each program is designed individually to meet the work force needs of each company. Funded by the state, the training is performed at no cost to the company, except in some very specialized cases.

The staff works with each company, analyzing the jobs and skill levels needed. Prospective employees are recruited, screened and tested, and training is done on the company's equipment – to its specifications on a schedule designed to meet the company's needs. This educational system is designed to reduce the company's start-up costs and reduce worker turnover.

The Special Schools program is one of the oldest start-up training systems in the nation and has been the model for similar programs throughout the country. Operating for more than 27 years, the program has an extensive body of expertise unmatched in any other state.



# Aquaculture

South Carolina's technological, human and natural resources combine to create a business environment rich in potential for aquaculture.

## **Research and Development**

In addition to the high level of technical supervision provided for the management of our natural resources, researchers at South Carolina agencies work toward the development of disease control, feed materials and the propagation of species.

☐ **Marine Research Center:** evaluates candidate culture species and develops techniques aimed at expanding an aquaculture industry

☐ **Waddell Mariculture Center:** serves as a national information source for mariculture, conducts species feasibility studies on the commercial scale, serves as a training facility for extension workers and farmers, and provides short-term training for college students and research opportunities for graduate students

☐ **Clemson University Demonstration Center:** testing laboratory for freshwater species, with research conducted by graduate students (Dormitory brings undergraduates to the center for hands-on training.)

☐ **Clemson University:** develops methods and techniques in support of freshwater aquaculture development, especially with catfish and crawfish

☐ **University of South Carolina:** researches life cycles and histories of culture species required before a species can be considered for aquaculture

☐ **College of Charleston:** explores aquaculture genetics

☐ **Medical University of South Carolina:** researches species reproduction.

## **Legislation—Financial Incentives**

Favorable legislation includes provisions for all aspects of aquaculture, including permitting, leasing and financial incentives.

☐ **Private, For-Profit Seed Capital Fund**

☐ **Aquaculture Permit Assistance Office:** assists aquaculturists through the permitting process

☐ **Land Leases:** public lands available for private leasing for commercial production

☐ **Sales Tax:** exemptions from South Carolina sales tax for machinery, equipment, repair parts and fuels used by the aquaculture industry

☐ **Aquaculture Impoundment Credit:** \$2,500 income tax credit for the construction or repair of fresh water impoundments

☐ **Inventory Tax Exemption:** exemptions from property taxes for all inventories of aquaculture operations, including raw materials, finished products and feed stocks

☐ **Property Tax:** defined as part of agriculture, tax advantages available to agriculture are also available to aquaculture operators (Real property of aquaculture operations pay property taxes on only 4% of the fair market value, and regulations that govern the treatment of agriculture workers apply to all aquaculture operations.)

## **Technical Support**

Numerous state programs identify problems and needs of aquaculturists and respond by providing practical, timely information gathered through research projects and programs.

☐ **Clemson University Cooperative Extension Service**

☐ **South Carolina Marine Extension Program**

☐ **South Carolina Department of Wildlife and Marine Resources (Division of Marine Resources and Wildlife and Freshwater Fisheries)**

☐ **South Carolina's 16 Technical Colleges**

## **State Agency Support**

Our network of state agencies provides a wide range of services for aquaculture enterprises seeking to locate in South Carolina.

☐ **South Carolina State Development Board (Business Assistance and Development Division)**

☐ **South Carolina Wildlife and Marine Resources Department**

☐ **South Carolina Sea Grant Consortium**

☐ **South Carolina Department of Agriculture**

☐ **Jobs-Economic Development Authority**

## **Aquaculture Products**

The number of permitted products in mariculture and freshwater species is gaining steadily as aquaculturists respond to the commitment of South Carolina has pledged to the aquaculture industry.

### **Mariculture Products**

|         |            |
|---------|------------|
| Shrimp  | Hard Clams |
| Oysters | Shad       |

### **Freshwater Products**

|                     |            |
|---------------------|------------|
| Hybrid striped bass | Tilapia    |
| Catfish             | Trout      |
| Crawfish            | Freshwater |
| Carp                | prawns     |



# Ports

## ***A World Class Port***

The South Carolina State Ports Authority serves businesses within and outside the state that are engaged in international trade. Through its excellent port cargo handling facilities and services – and the promotion of them through worldwide advertising and sales efforts – the Port of Charleston has become the preeminent seaport in the South Atlantic range, second to New York in the movement of containerized cargo on the East and Gulf Coasts. In Fiscal Year 1988, the Authority handled more than 7 million tons.

## ***Technological Advance***

The ORION Computer System, based at Charleston and developed by and for the Ports Authority, links key businesses and agencies involved in cargo movement into a computerized network that guides documentation and cargo through the Port of Charleston with speed and efficiency. In the common-user container areas, hand-held terminals on the container handlers speed the information flow to the ORION system.

## ***Motor Carriers***

The seaports of South Carolina are now served by more than 104 interstate and intrastate motor carriers that maintain offices in the state. Nearly 1,500 trucks a day call at Charleston alone.

## ***Rail Services***

Two major competing rail carriers, Norfolk Southern and CSX lines, serve South Carolina with some 2,700 route miles. Rapid direct container trains from the Port of Charleston are offered to strategic market areas such as Atlanta, Charlotte, Mobile, New Orleans and Chicago. Landbridge connections from Charleston also enable ocean carriers to bypass gulf ports en route to area cities of the Gulf Coast. Rail clearances at the Port of Charleston are superior to those of any other Eastern seaport.

## ***Port Physical Facilities***

The Port of Charleston operates four separate terminals, one for breakbulk cargo, two as all-container facilities and one as a general cargo terminal. The port has 11 container cranes, a heavy lift derrick capable of handling up to 475 tons per lift and a variety of gantry cranes for general cargo handling, with capacity ranging from 30 tons to 150 tons.

About \$32 million in self-financed improvements are under way at North Charleston and Columbus Street terminals. Another \$16 million is being spent on four new container cranes at the Wando and North Charleston terminals. The Wando is approved for a \$65 million project to add a new berth and container storage areas.

## ***Ocean Liner Service***

The Port of Charleston's profile of ocean liner service now includes 67 carriers serving 109 countries. Weekly service is available to all eight global ocean trade routes served by the port. Twenty-four steamship agencies and line offices offer a complete range of services to the steamship lines.

## ***Sales and Marketing***

The sales and marketing division of the Port of Charleston has domestic offices in Charleston, Greenville, Atlanta, Chicago and New York, as well as overseas offices in Frankfurt, Tokyo, Hong Kong and Sydney, Australia. The staff is dedicated to maintaining its dominant (34.2%) container market share in the U.S. South Atlantic area by continuing to offer its customers the highest quality service and efficiency possible at competitive prices.

## ***Specialty Ports***

The State Ports Authority operates specialty ports at Georgetown and Port Royal. Georgetown, which underwent a \$3 million revitalization program in late 1984, has become an important breakbulk and bulk specialty cargo handling center in the South Atlantic port range. Its cargo tonnage is at an all-time high, exceeding 800,000 tons.

Port Royal, operated under lease by the Port of Port Royal Co., is directed by Peter Cotter. The port, which has tripled its volume the last three years, annually handles more than 150,000 tons of export clay and import paper products.



# Energy and Water

## Electricity

□ South Carolina is an energy-rich state where reserves average 35%.

□ The state gets slightly more than half of its energy supply from nuclear power plants, all of which are on-line. No new additions to the rate base are anticipated for nuclear construction.

□ Four major, competing utility companies serve the state as well as a variety of mutually owned co-operatives, all interconnected on the transmission grid.

## Natural Gas

□ Natural gas is available throughout South Carolina, distributed by several different suppliers. Propane gas also is available from commercial suppliers.

## Water

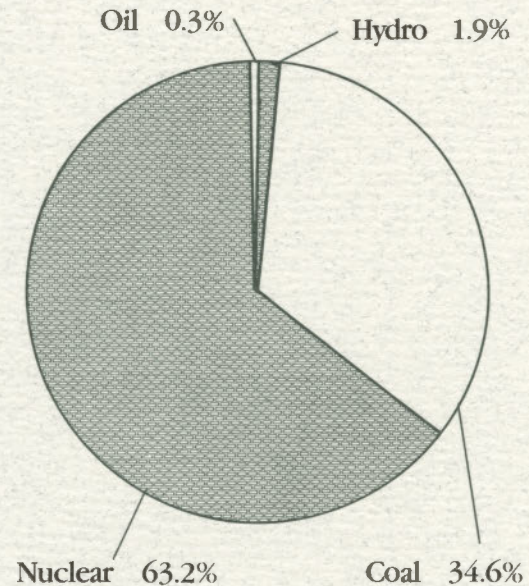
□ South Carolina has an abundance of surface water, which should provide plentiful supplies through the 21st Century.

□ The water has low mineral content and is low in solids, ensuring that it can be processed to a high degree of purity with low-cost commercial treatment methods.

□ Average rainfall is 48 inches, and it is captured in four major river drainage basins; the Pee Dee and the Santee are the second and third largest on the East Coast.

□ Ground water available is varied based on physiography, with the more abundant supplies normally found in the coastal regions.

## Breakdown of Power Generating Sources, 1986



Source: South Carolina Energy Office, 1987.



South Carolina State Development Board

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# Transportation

South Carolina's competitive transportation system keeps businesses on the right track.

## Highway

□ South Carolina has the fifth largest state highway system in the United States in terms of state highway miles.

□ South Carolina has 63,000 miles of highways and roads; more than 40,000 miles, all toll-free, are under the state highway system, including about 800 miles of interstate. Five interstates criss-cross the state – I-95, I-20, I-26, I-85 and I-77.

□ 95% of all South Carolinians live within 30 miles of at least one interstate.

□ 10% of the state's annual budget goes toward highway maintenance and construction.

□ Overnight freight transportation delivery is available to markets in North Carolina, Virginia, Georgia and Tennessee. The Northeast and Midwest markets are reached in a maximum of three days.

□ A \$10 million annual set-aside fund for highway construction and improvements enhances economic development efforts.

## Air

□ South Carolina is served by six commercial airports, plus three just across state lines.

□ 49 airports can handle corporate and private aircraft.

□ Full-service customs and "port of entry" services are offered at Charleston, Greenville/Spartanburg and Columbia airports.

□ The state has excellent air freight and customs services with regularly scheduled air cargo carriers providing overnight delivery to most places Monday through Saturday.

□ Foreign Trade Zones are available near the Charleston and Columbia airports.

## Rail

□ Two major, competing rail carriers – Norfolk-Southern and CSX lines – service the state, as well as five affiliates and independent lines.

□ The state has one mile of track for every 13 square miles.

## Sea

□ The State Ports Authority operates three ports – Georgetown, Port Royal and Charleston – offering marine transport services to domestic and international markets.

□ The three seaports handled more than 6.16 million tons of cargo in 1987.

□ Of the three port facilities, Charleston is the largest and handles the greatest cargo volume. In 1987, the Port of Charleston moved 5.5 million short tons of goods and cargo.

□ Port of Charleston is a major container port, first in the South Atlantic and Gulf Regions and second only to New York on the East Coast.

□ In 1987, 4.4 million short tons of containerized cargo passed through the port – the fifth consecutive year that Charleston has claimed a record year for containerized cargo.

□ In 1987, more than 1,800 vessels representing 70 steamship companies called in Charleston. The number of foreign countries calling in Charleston totaled 109 in 1987.

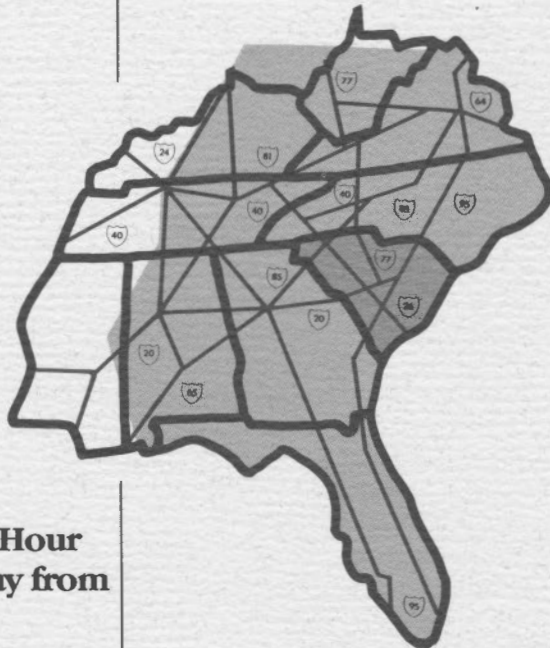
□ The port has one of the lowest pilferage and damage rates in the world, 34 millionths of 1%.

□ The port also has more than two miles of berthing space, enough for 17 vessels at one time.

□ A shear-leg crane at the port is capable of lifts up to 475 tons – "The Monster" is the most powerful fixed, single-boom seaport crane in the United States.

□ 2.27 million square feet warehousing, owned and operated by the State Ports Authority, are available in Charleston for foreign trade users.

□ The Orion Computer System, developed for the State Ports Authority, links key businesses and agencies involved in cargo movement into a computerized cargo network that guides cargo through the Port of Charleston faster than any other port in the world.



**South Carolina's Ten-Hour Service Area By Highway from Columbia**



# Research Authority

The South Carolina Research Authority was formed in 1983 to pursue economic development through science and engineering. Bringing together the sometimes diverse worlds of industry, government and academics, the Authority's goal is to attract, support and develop technology-based industry in South Carolina.

The South Carolina Research Authority has developed three distinct research parks, forming the nation's first coordinated research park system. In addition, the Authority has formed a Technology Management Segment to bring more federal research and development contracts to the state. One of those contracts, the Rapid Acquisition of Manufactured Parts (RAMP) program has brought the nation's leading technology-based industries to South Carolina.

## Research Parks

South Carolina's Research Park System has three parks and a research center, located in different regions of the state. Each is close to a major research university, and each park has strict architectural and aesthetic guidelines to ensure environmental integrity and consistency for employees of growth-oriented firms.

□ **Carolina Research Park:** a suburban park near Columbia, the state capital, has close proximity to the University of South Carolina. Dana Corp. and Soil & Materials Engineers/Westinghouse Environmental Engineers have located facilities at the park.

□ **Clemson Research Park:** located in the hills of northwest South Carolina overlooking Lake Hartwell, this park is located near Clemson University. The Clemson Information Technology Center is in the park.

□ **Charleston Research Park:** this urban park is located on the campus of the Medical University of South Carolina in the port city of Charleston.

□ **Trident Research Center:** located in North Charleston, this state-of-the-art facility is the home of the Technology Management activities of the Authority.

## Technology Management

The South Carolina Research Authority has introduced a new approach in the use of technology. With the Authority acting as the prime contractor and manager of the contracts, consortia composed of leading contractors are formed to produce technological advances that will provide solutions to national problems.

One such contract is the Rapid Acquisition of Manufacturing Parts (RAMP) program that is designed to compress significantly the time needed to identify and manufacture critical replacement parts for the U.S. Navy. Teams of scientists and engineers from Arthur D. Little Corp., Battelle, Grumman Data Systems and Ingersoll Engineers are working on the project at the Authority's Trident Research Center.

Two other ongoing efforts at the Trident Research Center include the Product Data Exchange Specification (PDES) and PLASMA ARC.

PDES will provide a complete unambiguous, computer interpretable definition of the physical and functional characteristics of each unit of a product throughout that product's life cycle. The PDES consortium includes Boeing, General Dynamics, General Electric, Lockheed, McDonnell Douglas, Northrop, DEC, FMC, IBM, LTV, Prime/Computer-vision and Rockwell.

PLASMA ARC is a critical technology upgrade program that will help make the domestic ferrochromium industry self-sufficient. The consortium is composed of Clemson University, Massachusetts Institute of Technology (MIT), Arthur D. Little and MacAlloy Corp.





# Forestry

## **Forest Resources**

South Carolina, with 12.2 million acres of commercial forest land, has 63% of its total land area forested, ranking third in the Southeast.

□ Of the state's forest land, 68% is owned by individuals, 22% by forest industries and 10% is publicly held.

□ Forest products are South Carolina's largest cash crop with 1987 cash receipts of \$502 million.

□ Forestry or forestry-related industries employ more than 32,000 people in the state.

□ Between 1982 and 1986, new capital investments by forest product manufacturers averaged \$536.2 million; in 1986, the industry led total investment with \$575 million.

□ The value of shipments of South Carolina's finished forestry projects totaled \$4.2 billion in 1986.

□ South Carolina's timber products accounted for 64% of the state's agriculture crops in 1984.

## **Timber and Forest Products Potential**

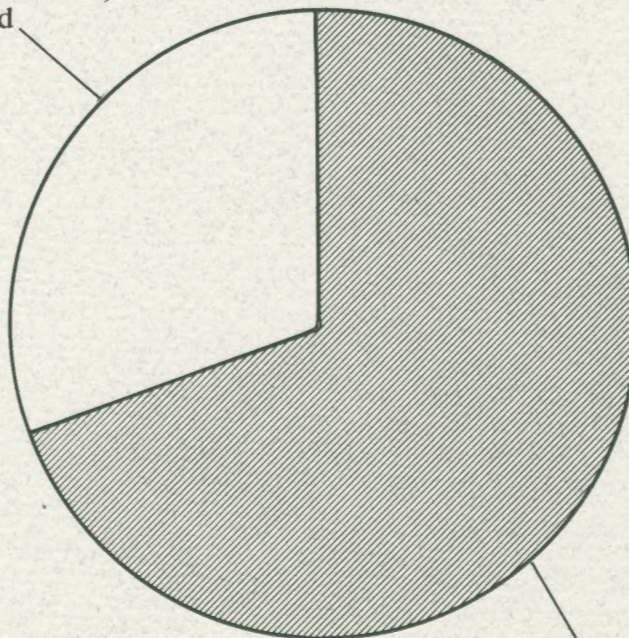
□ By value, manufacturing of forest products ranks third behind textiles and chemicals in the state.

□ Annually, 1.3 billion feet of pine board and more than 200 million feet of hardwood timber are harvested for lumber, plywood and veneer products.

□ The paper industry uses 2.7 million cords of the state's pine and more than 1 million cords of hardwood pulpwood.

□ Other manufactured goods from South Carolina's forest products include furniture, flooring, millwork, cabinets, treated lumber and poles, trusses and pallets.

31% (\$157 million)  
Pulpwood



69% (\$345 million)  
Lumber, Plywood,  
Poles and Other Products



# Financial Incentives

## **Industrial Revenue Bonds**

Cities and counties as well as the state Jobs-Economic Development Authority are authorized to issue industrial revenue bonds, taxable or nontaxable, to promote economic development and trade within the state.

The maximum term of the individual bond issue is 40 years, but terms usually range from 10 to 25 years, depending on the money market. Interest rates for tax-exempt and taxable bonds are generally lower than conventional rates.

IRBs are normally secured by the real estate or tangible property of the project. Pollution control bonds are generally not secured by the real property or the tangible assets of the company installing the facilities.

Unless extension is provided by Congress, the issuance of tax-exempt bonds for private business use will be discontinued as of December 31, 1989.

## **JEDA**

The South Carolina Jobs-Economic Development Authority is South Carolina's direct lending finance authority established to meet certain financing needs of qualifying businesses. The primary focus of this state-supported program is to stimulate the creation of permanent jobs in business and industry through loans, investments and financial promotion of exporting opportunities of goods and services within the state.

## **Federal Programs**

### ☐ **Small Business Administration**

**504 Loan Program:** Packaged and serviced by a certified development corporation with commercial bank participation, the 504 program provides monies to finance plant construction, to acquire machinery and equipment, to buy land and to make leasehold improvements. All loans are contingent on job creation. The maximum loan is \$750,000, which cannot be more than 40% of the total project cost. There must be a minimum of 10% equity injection.

☐ **Small Business Administration Guaranteed Loan Program:** Loans made through commercial lenders are guaranteed for up to 90% of the loan amount by the SBA. Guarantees cannot exceed \$750,000.

☐ **Small Business Administration Direct Loan Program:** Direct loans up to \$150,000 are available in a number of counties considered to have a comparatively high unemployment rate.

☐ **Governor's Economic Development Assistance Grant Program:** Each year a portion of the state's Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) is set aside to be awarded by the governor to assist local governments in promoting economic development. The Division of Economic Development within the Office of the Governor administers the Economic Development Assistance Grant Program.

Local governments may use grant funds in a variety of economic development projects, including such activities as providing necessary water and sewer services, as well as other infrastructure requirements, industrial site acquisition and preparation, construction of industrial buildings and the provision of direct financial assistance to private enterprise when determined to be necessary or appropriate.

☐ **Farmers Home Administration (FmHA):** The Farmers Home Administration (FmHA) has a loan program to further business and industrial development. Business and industrial loans may be made in rural areas throughout South Carolina. Communities with populations under 50,000 are eligible for FmHA assistance.

Assistance from FmHA is provided in the form of a loan guarantee whereby the agency contracts to reimburse the lender for a maximum of 80% of principle and interest. Business and industry loans are limited to a maximum of \$10 million.

The loan applicant for an existing business must provide a minimum of 10% of tangible balance sheet equity; for a new business the requirement is 20% to 25%. The term of the loan is fixed to available assets. Generally, land, buildings and permanent fixtures are allowed 30 years; machinery and equipment, 15 years; and working capital, seven years.

Interest rates are either fixed or variable and determined by the lender and the borrower, subject to FmHA approval.



# Mineral Resources

## Mineral Production

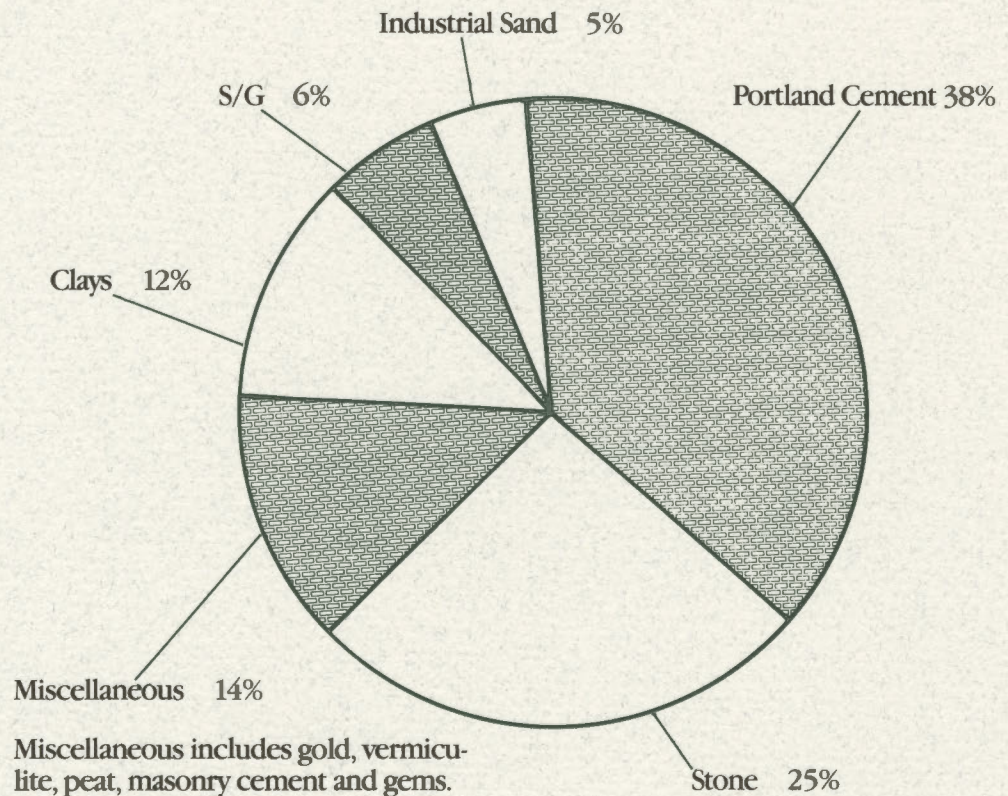
- South Carolina's mineral production, a composite of one metallic and nine industrial minerals, valued \$314 million in 1987.
- South Carolina ranks 20th nationally in the production of industrial minerals and 28th nationally in total mineral production.
- The state ranks first in the production of vermiculite.
- South Carolina ranks second to Georgia in U.S. production of kaolin. Together the two states account for 90% of the nation's and 70% of the world's total production.
- South Carolina, with three active mines, is one of the top five gold-producing states in the country.
- South Carolina ranks eighth nationally in the production of portland cement and fourth for masonry cement.

## Mineral Processing

- Metallic products processed in South Carolina include steel, aluminum and ferroalloys.
- The state has custom-grinding facilities for borate, feldspar, feldspar/mica and zircon.

## Mineral Potential

- Deposits of talc, prophyllite and heavy minerals, such as titanium, zirconium and rare earth, are known but are not currently being developed.
- There are ample reserves for additional extraction and processing operations of mineral resources.



**Value of Mineral Production in South Carolina, 1987**



# JEDA

The Jobs-Economic Development Authority (JEDA), South Carolina's direct lending finance authority, was established to meet certain financing needs of qualifying businesses. The primary focus of this state-supported program is to stimulate the creation of permanent jobs in business and industry through loans, investments and financial promotion of exporting opportunities of goods and services produced within the state.

Specific programs include:

## ***Community Development Block Grant Loan Program***

This program for municipalities and counties is available in all areas except in the entitlement areas of Greenville County and its municipalities and the cities of Anderson, Charleston, North Charleston, Florence, Rock Hill, Spartanburg and Columbia.

Capital expenditures can include loans for land, facility construction, acquisition or renovation, and equipment. Raw material and working capital loans are available in economically distressed counties.

Loans can be used to assist private, for-profit enterprises, generally manufacturing or select service industries. Businesses that have a net worth of less than \$1 million or a net profit after taxes averaging less than 20% of net worth for the prior three years qualify. Loans must result in a direct creation of jobs but can have a term of up to 15 years. Rates will vary from 85% of the average local prime rate to prime plus 1%. The minimum interest rate shall not be less than 8.5%. The loan value per job created generally can be as high as \$10,000.

## ***Composite Bond Financing Program***

The composite bond financing program is designed to provide small businesses with savings of 15% to 50%, compared with alternative financing. The program is available to manufacturing and non-profit entities in all areas of the state. Projects can range from \$500,000 to \$10 million but must create or maintain jobs.

## ***Stand Alone/ Conduit Bond Program***

When individual company funding requirements are between \$500,000 and \$10 million, JEDA can issue industrial revenue bonds in its own name on behalf of a specific borrower (both industrial and non-profit) and provide for the bond proceeds for capital investment projects.

## ***Taxable Bond Business Loan Program***

This program is designed to assist in fulfilling the financing needs of those firms that do not qualify for tax-exempt Industrial Revenue Bonds. The program offers variable or fixed-rate financing. Funding requirements should exceed \$700,000. Bonds may be issued on a stand-alone basis or through a pooled mechanism as determined by the individual firm's needs.

## ***Venture Capital Funding Program***

The Carolina Capital Investment Corporation (CCIC) makes loans available to businesses for product or process innovations that will benefit the marketplace and provide employment potential. Funding also is available for those situations where an operation within a viable industry might be faced with decline should there not be facility renovations and new equipment purchases. CCIC reserves the right to restrict the size of business eligible for a loan, to require an equity interest in the business and to limit the loan to \$75,000. Loans must result in job creation or retention, and the cost per job must not exceed \$15,000.

## ***Export and Trade Finance Program***

A comprehensive package of financial and credit services is offered to aid South Carolina businesses in taking full advantage of worldwide trade opportunities. Counseling and information services are available on all aspects of international transactions, including loan structure, documentation and contract terms, foreign currency, barter and international banking transactions.

A state delivery system helps small businesses access and package pre- and post-shipment loans funded through EXIMBANK, the Small Business Administration and commercial banks. The system also assists small businesses in obtaining export credit insurance and foreign credit reports.



# Taxes

South Carolina, which operates on a constitutionally mandated balanced budget, has a state and local tax burden well below the national average. The state ranks seventh lowest nationally in a comparison of state and local taxes per capita.

South Carolinians paid in 1985-86 an average of \$1,138 annually in state and local taxes, compared with \$1,547 nationally. In 1986 per capita taxes in South Carolina were 73.5% of the national average and 25% of the highest state (Alaska at \$4,489).

And the corporate income tax rate of 5% places South Carolina among the lowest in the Southeast and U.S. In fact, the state's corporate income tax contributed only 5.7% of the revenue for the South Carolina tax dollar in 1987.

Furthermore, South Carolina has no state tax on real or personal property. These taxes are levied only by local governments, and all property is assessed at fair market value:

☐ Real and personal property, except for manufacturing, is appraised by the county tax assessor, and real property is reappraised every three to five years.

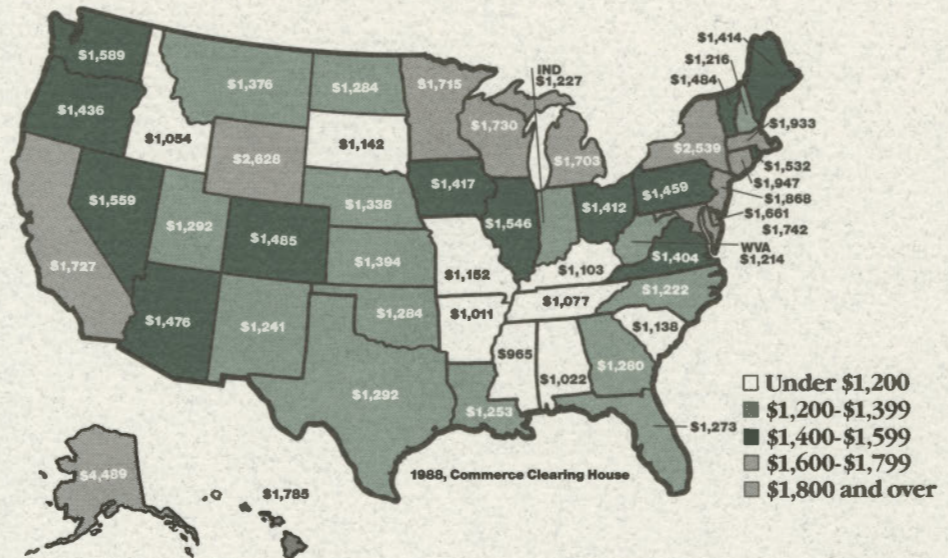
☐ For manufacturing, the value of real and personal property is established by the State Tax Commission to ensure fair and equitable treatment.

☐ The value of personal property, such as machinery and equipment, is based on original cost less depreciation, the depreciation rate generally follows federal guidelines. The original cost cannot be depreciated by more than 80%.

There are several taxes that are not levied in South Carolina. There is:

- ☐ no tax on intangible property
- ☐ no local income taxes (only the state has the authority to tax income)
- ☐ no local sales tax (only the state can impose sales taxes)
- ☐ no unitary tax on worldwide profits
- ☐ no inventory tax
- ☐ no wholesale sales tax
- ☐ no value-added tax.

## State and Local Per Capita Tax Burden for Fiscal 1985-1986



### Business Tax Incentives

☐ **Job Income Tax Credit:** companies creating a specified number of new jobs in South Carolina can qualify for a job tax credit of \$300, \$600 or \$1,000, depending on the county in which they are located.

☐ **Fee in Lieu of Taxes:** companies with investments of \$85 million or more can negotiate fees in lieu of property taxes with the counties where they locate or expand. Counties can negotiate down from the normal 10.5% rate for manufacturers to a fee equivalent to a 6% tax assessment ratio, the rate at which most non-manufacturing real business property is assessed.

☐ **Headquarters Tax Credit:** companies establishing a corporate headquarters in South Carolina may qualify for a 20% state tax credit. To qualify, the company must create a minimum of 75 new full-time jobs in South Carolina, 40 of which must be management and professional positions. Credit is given for construction costs or five-year lease expenses.

☐ **Infrastructure Tax Credit:** a corporate income tax credit is allowed for corporate contributions for infrastructure construction or improvement. Credit is given for 50% of the expense, not to exceed \$10,000 with a three-year carry forward of unused credits.

☐ **Property Tax Abatement:** new or newly expanded manufacturing or research and development facilities, distribution facilities or corporate office and headquarters investing a minimum of \$50,000 with a minimum of 75 full-time jobs are exempt for five years from all county ordinary property taxes, except those levied for public schools and special taxes. Also, facilities or equipment designed to combat pollution are exempted from local property taxes.

☐ **Sales Tax Exemption:** all manufacturing production machinery, repair parts, industrial energy and materials that become an integral part of the finished product are exempt from sales tax.